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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte JAMES A. SATCHELL, JR. and JOHNSON A. ASUMADU

Appeal 2008-0071
Application 09/686,626
Technology Center 2100

Decided: November 6, 2008

Before FRED E. McKELVEY, *Senior Administrative Patent Judge*,
HOWARD B. BLANKENSHIP and ALLEN R. MACDONALD,
Administrative Patent Judges.

BLANKENSHIP, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

This is an appeal under 35 U.S.C. § 134(a) from the Examiner's rejection of claims 31-41, 60-127, and 129-134. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm the rejection of claims 31-41, 60-113, 127, and 129-134, but do not reach the rejection of claims 114-126. We enter new grounds of rejection against claims 1-12 and 114-126.

I. The Instant Reissue

This proceeding concerns the reissue of U.S. Patent 5,822,216 (“’216 patent”), “Vending Machine and Computer Assembly.”

Applicants filed the ’216 patent application on September 18, 1996, with the patent issuing October 13, 1998. The patent is said to be a “continuation-in-part” of application 08/429,583 (“parent application”), filed August 17, 1995, now abandoned.

The ’216 patent describes a vending machine (Fig. 1) having a computer assembly, video display screen, and access to an internet site via a modem. *See* ’216 patent Abstract.

Appellants filed the instant reissue application on October 12, 2000. The initial papers included a declaration by the inventors directed to a broadening reissue.

Patent claims 1-12 are present and not rejected by the Examiner.¹ Proposed new claims 31-41, 60-127, and 129-134 are also present, which are the subject of this appeal.

¹ Although Appellants’ amendment of August 20, 2004 incorrectly reproduces patent claim 3, Appellants apparently propose to change “means” to --device-- and the first occurrence of “site” to --sites--. (*See* amendment filed Feb. 25, 2004.) We will interpret claim 3 as if so amended.

All of the proposed claims include language referencing an Internet (or “internet”) connection. Reissue claims 114, 127, and 130 are reproduced below (underlining deleted).

114. A method of providing a customer with access to the Internet via a vending machine, said method comprising:

- 1.) providing a vending machine to vend at least one physical item selected by a customer for purchase;
- 2.) said purchase of said at least one item permits the customer to be operatively connectable via the Internet to websites;
- 3.) allowing access to the websites by said customer, said access comprising at least one of inserting money or credit card information into the vending machine and customer input of data to the computer.

127. A method of attracting greater patronage to a vending machine, said method comprising:

providing a vending machine with a connection to the internet/worldwide web; and

permitting a customer access to websites on said internet/worldwide web through interaction with said vending machine, wherein at least part of said access is located on a door of the vending machine.

130. A method of manufacturing vending machines wherein a vending machine is provided to dispense an article to be purchased by a consumer, the improvement comprising incorporating an interactive consumer accessible internet communication system into the vending machine to permit the customer access to websites.

II. Prior Art

The Examiner relies on the following U.S. patents as evidence of unpatentability:

Lockwood	US Re. 32,115	Apr. 15, 1986
Bradt	US 4,839,505	Jun. 13, 1989
Brandes	US 5,090,589	Feb. 25, 1992
Huegel	US 5,239,480	Aug. 24, 1993
Brown	US 5,445,295	Aug. 29, 1995
Small	US 5,513,117	Apr. 30, 1996
Kolls	US 5,637,845	Jun. 10, 1997
Sokal	US 5,953,504	Sep. 14, 1999

The Board cites the following additional U.S patent:

Mills	US 1,697,537	Jan. 1, 1929
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III. The Examiner's Rejections

Claims 114-127, 129, and 130 are rejected under 35 U.S.C. § 251 as being an improper recapture of broadened claimed subject matter surrendered in the application for patent upon which the present reissue is based.

Claim 130 is rejected under 35 U.S.C. § 102(e) as being anticipated by Sokal.

Claim 130 is rejected under 35 U.S.C. § 102(e) as being anticipated by Kolls.

Claim 130 is rejected under 35 U.S.C. § 102(b) as anticipated by or, in the alternative, under 35 U.S.C. § 103(a) as obvious over Huegel.

Claim 130 is rejected under 35 U.S.C. § 102(b) as anticipated by or, in the alternative, under 35 U.S.C. § 103(a) as obvious over Lockwood.

Claims 31-41, 60-64, 66, 68, 69, 71-108, 110-112, 127, and 129-134 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Bradt and Sokal.²

Claims 65 and 70 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Brown.

Claims 67 and 113 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Small.

Claim 109 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Brandes.

IV. Appellants' Contentions

1. Appellants contend that none of the claims rejected under 35 U.S.C. § 251 improperly recapture subject matter surrendered during prosecution of the '216 patent because each of the rejected claims are directed to the statutory class of “process,” while each of the claims presented in the '216 patent application were directed to the statutory class of “apparatus.”

2. Appellants contend (1) they have antedated Sokal, and (2) the patent is thus not prior art.

3. Appellants contend the Examiner erred in finding that Sokal anticipates claim 130 because Sokal does not describe a vending machine that dispenses articles for purchase.

² Except for claim 114, all the proposed independent claims are rejected over this combination.

4. Appellants contend the Examiner erred in finding that Kolls anticipates claim 130 because Kolls does not describe access to websites.

5. Appellants contend the Examiner erred in finding or concluding that claim 130 is anticipated by, or obvious over, Huegel because the Examiner has not shown that the reference describes access to websites, nor why one of ordinary skill in the art would have found it obvious to permit customer access to websites.

6. Appellants contend the Examiner erred in finding or concluding that claim 130 is anticipated, or obvious over, Lockwood because the Examiner has not shown that the references describes access to websites, nor has the Examiner shown motivation to establish a prima facie case of obviousness.

7. Appellants contend the Examiner erred in rejecting claims 31-41, 60-64, 66, 68, 69, 71-108, 110-112, 127, and 129-134 as obvious over the combination of Bradt and Sokal because:

(A) Bradt teaches a conventional vending machine with no access to the Internet.

(B) Sokal does not contain a door, or retrofit door.

(C) The Examiner has not shown that combining two old elements (a vending machine and a stand-alone terminal) was suggested by Bradt and Sokal, or cited any knowledge generally available to those skilled in the art that would lead an individual to combine the relevant teachings of the references.

(D) Dependent claim 38 recites that camera generated video signals and microphone generated audio signals are recorded alone or in combination with already recorded audio and visual signals by the

mechanism of claim 37, and no such teachings are found in the combination of Bradt and Sokal.

(E) Dependent claim 39 requires “at least one audio-video mechanism connected to said computer for recording said audio and video signals,” and the features are simply lacking and without motivation in the combination of Bradt and Sokal.

8. Appellants contend the Examiner erred in rejecting claims 65 and 70 as obvious over Bradt, Sokal, and Brown because Brown does not cure the deficiencies in the basic rejection over Bradt and Sokal, and Brown is limited to telephone communication lines for internal communication.

9. Appellants contend the Examiner erred in rejecting claims 67 and 113 as obvious over Bradt, Sokal, and Small because Small does not correct the deficiencies in the basic rejection over Bradt and Sokal, and Small’s machine does not comprise a door having a trackball or mouse.

10. Appellants contend the Examiner erred in rejecting claim 109 as obvious over Bradt, Sokal, and Brandes because Brandes does not teach, suggest, or motivate one skilled in the art to provide a door of a vending machine with customer access to the Internet.

V. The Examiner’s Findings and Conclusions

1. The Examiner concludes that claims 114-127, 129, and 130 are not permitted under 35 U.S.C. § 251 because the claims omit “retrofitting door” aspects of the invention that relate to subject matter surrendered during prosecution of the '216 patent.

2. The Examiner concludes that Sokal is prior art with respect to Appellants because Appellants have not established reduction to practice

[constructive or actual] prior to the effective date of the reference, or conception of the invention prior to the effective date of the reference coupled with due diligence from prior to the date to a subsequent reduction to practice or to the filing of the application.

3. The Examiner finds that claim 130 is anticipated by each of Sokal and Kolls.

4. The Examiner finds and concludes that claim 130 is anticipated by, or obvious over, Huegel because, *inter alia*, remote sites described by Huegel are obviously if not inherently “websites.”

5. The Examiner finds and concludes that claim 130 is anticipated by, or obvious over, Lockwood because, *inter alia*, computer sites that are remotely accessed in Lockwood are obviously if not inherently “websites.”

6. The Examiner finds that the combination of Bradt and Sokal would have suggested modifying Bradt with Internet access as taught by Sokal.

7. The Examiner finds that Sokal describes apparatus for video conferencing and for downloading information, and thus teaches local storage of audio/video information.

8. The Examiner finds that Brown teaches the alternatives of headphones or speakers in a vending machine.

9. The Examiner finds that Small teaches the alternatives of a mouse or trackball for data input into a vending machine.

10. The Examiner finds that Brandes teaches the use of a plate and backlighting on a vending machine.

ISSUES³

Have Appellants antedated Sokal?

Have Appellants shown error in the Examiner's findings that claim 130 is anticipated by each of Sokal, Kolls, Huegel, and Lockwood?

Have Appellants shown the Examiner erred in concluding that claim 130 is obvious over each of Huegel and Lockwood?

Have Appellants shown that the Examiner erred in concluding that Bradt and Sokal render obvious the provision of Internet access on a vending machine, or on a vending machine door?

Have Appellants shown that the Examiner erred in concluding that Bradt and Sokal render obvious the local recording of audio and visual signals?

Have Appellants shown error in the Examiner's finding that Brown teaches the alternatives of headphones or speakers in a vending machine?

Have Appellants shown error in the Examiner's finding that Small teaches the alternatives of a mouse or trackball for data input into a vending machine?

Have Appellants shown error in the Examiner's finding that Brandes teaches the use of a plate and backlighting on a vending machine?

³ Appellants' Reply Brief, improperly, mixes arguments with allegations of bias by examiners. An allegation of improper bias by an examiner is a matter for petition rather than appeal. *See In re Ovshinsky*, 24 USPQ2d 1241 (Comm'r Pat. 1992). We have not considered any matters in the briefs that should be addressed by way of petition. In this instance, we will not order Appellants to submit a substitute reply brief limited to issues within the Board's jurisdiction, as requiring a substitute brief would delay Appellants' appeal.

FINDINGS OF FACTS

I. The Parent Application (08/429,583)

In response to papers presented to the USPTO on April 27, 1995, the Office mailed to *pro se* applicant Satchell, on May 24, 1995, a Notice to File Missing Parts of Application; while the papers purported to be a patent application, no USPTO patent application "filing date" was assigned to the papers.

The Notice informed the applicant that, *inter alia*, the Specification did not include at least one claim in compliance with 35 U.S.C. § 112.

After submission of additional papers, the Office granted a filing date of August 17, 1995.

The original parent Specification is entitled "Laser-Disc Music Video Digital Drink Machine Door." The written description (part 5) and drawings describe a drink machine and door that include, *inter alia*, a "satellite receiver antenna."

On December 26, 1995,⁴ the applicant filed, in essence, a substitute Specification and new drawings. Appellants in the briefs refer to the

⁴ Papers (new matter) filed December 26, 1995 in the parent are referenced in Appellants' Rule 131 arguments. The December 26, 1995 filing date is based on our review of the (paper) file wrapper of the parent application. "Annotations" in the "IFW Table of Contents" in the instant reissue electronic file indicate that a November 8, 1995 "date" was based on a date written (by the applicant) on one of the papers in the parent application that were entered into the instant electronic file, rather than the filing date of those papers. Appellants began alleging the amendment was filed November 8, 1995, rather than December 26, 1995, many years after actual filing of the papers, apparently based on Public Pair access of the reissue file on March 30, 2005. However, as the Examiner points out, the "November 8,

amendment as being filed on November 8, 1995. As it turns out, it makes no difference in this appeal whether the papers were filed in November or December. For Appellants' convenience we will refer to the papers as the "8 November 1995" amendment.

II. The '216 Patent Prosecution (08/715,232)

Applicants Satchell and Asumadu filed the '216 patent application (08/715,232) on September 18, 1996. The application purported to be a "continuation-in-part" of application 08/429,583 (the parent application), filed August 17, 1995, now abandoned.

III. The '216 Patent Specification

1. Insofar as we have been able to determine, there are two occurrences of the word "retrofit" in the '216 patent's written description.

a) "More particularly, the invention is directed to a retrofit door assembly for attaching to an existing vending machine where the retrofit door includes a computer assembly to connect with the internet automatically in conjunction with the purchase of merchandise." '216 patent, col. 1, ll. 16-20.

b) "In one embodiment of the invention, the door 100 is constructed as a retrofit to an existing vending machine. In this embodiment, the computer assembly 158 and money acceptor 152 are mounted in the door and assembled to cooperate with the existing dispensing mechanism 156 of the vending machine 10." '216 patent, col. 4, ll. 47-52.

1995" date is based on dates shown in Public Pair *for the instant reissue*, not the parent application or the '216 patent application.

IV. References Applied

A. Sokal

1. Sokal describes a network (Fig. 1) that includes a central server 10, a site server 12, home terminals 15, business terminals 16, and public access terminals 14. Site server 12 allows connection of the terminals to the Internet. Col. 3, ll. 16-39.

2. Public access terminals 14 are in locations accessible to the public. Col. 3, ll. 40-47.

3. Public access terminal 14 (Fig. 2) includes input sections 29 for entry of funds or fees: card reader 30; bill reader 31; and coin reader 32. Col. 4, ll. 13-21.

4. Public access terminal 14 (Fig. 2) includes a touch screen monitor 21 that allows the user to access the Internet. Col. 3, ll. 51-63; col. 4, l. 44 - col. 5, l. 2.

5. Public access terminal 14 (Fig. 2) includes a memory drive 23 and a CD ROM reader and mastering unit 25. Col. 3, l. 64 - col. 4, l. 5.

6. The CD ROM reader and mastering unit 25 allows the user to generate records on CD. Col. 6, ll. 44-48.

7. Sokal teaches it was conventional to provide vending of software in a publicly accessible housing that receives a memory element (e.g., floppy disk) on which a purchased program can be written for the user. Col. 1, ll. 38-43.

8. Public access terminal 14 (Fig. 2) includes a laser printer 37 and receptacle 38 for printed sheets. Col. 4, ll. 28-33.

9. Laser printer 37 and receptacle 38 allow the user to utilize software in the terminal to generate printed pages (desk top publishing). Col. 6, ll. 41-43.

10. Sokal does not use the term “World Wide Web,” but teaches WWW access in Figures 4 and 5 (“home pages”; col. 7, ll. 2-12).

B. Bradt

1. Bradt describes a videocassette vending machine 10 (Fig. 1) for vending or renting videocassettes. Vending machine 10 includes a door 16 which is hinged along one side of shell 14 to provide access to the interior of shell 14 from the front of cabinet 12. Col. 1, ll. 9-13; col. 7, ll. 29-36.

2. A credit card reader 18 (Fig. 1), coin or bill accepting unit 19, selection push buttons 20, and key pad 22 are mounted on the front of door 16. A CRT display 24 is provided on the front of door 16, as is printer 26. Col. 7, ll. 36-66.

3. A customer access door 28 (Fig. 1) is provided in door 16 for dispensing or receiving a videocassette. Col. 8, ll. 14-17.

4. A CPU 38 (Fig. 4) receives customer input, generates display characters for CRT 24, and otherwise governs vending machine 10. Col. 9, ll. 27-68.

5. CPU 38 (Fig. 4) can contact the owner’s host processor via modem 36. Col. 13, ll. 3-7.

6. Based on a customer’s interaction with vending machine 10 (col. 19, ll. 7-48), CPU 38 can obtain credit card authorization by communicating with the credit card company by means of modem 36. *Id.*, ll. 49-55.

C. Huegel

1. Huegel describes a self-service terminal (Fig. 1) that is part of an automatic ticket dispensing system. Each central processor 1 has a memory that contains a listing of all the events of all the locations serviced by the terminal. Col. 5, ll. 9-17.

2. Each self-service terminal (Fig. 1) has a video display 3 with a touch screen display 5, currency acceptor 31, and credit card reader 33. Col. 5, ll. 18-64.

3. Network modem 25 (Fig. 1) connects the self-service terminal to network server 39, which connects the terminal to other selected locations such as theaters 41 and stadiums 43. Central processor 1 can thus provide ticket data from the other selected locations on video screen 5. Col. 5, l. 65 - col. 6, l. 33.

4. In response to customer interaction with touch screen display 5 (cols. 6-8), central processor 1 may dial the network server 39, which contacts the remote location processor and receives data concerning the best seats available. The data is forwarded to central processor 1 and displayed to the customer. Col. 8, ll. 31-62.

5. The customer may select and pay for a ticket, which is printed at the self-service terminal by ticket printer 23 (Fig. 1).

D. Lockwood

1. Lockwood describes a self-service terminal 1 (Fig. 1) for dispensing voice and video information, printed documents, and goods, and for accepting service orders and payments by currency or credit card.

Abstract.

2. The system includes a flight ticket delivery program whereby charges are sent to a remote credit center, with a flight ticket locally printed upon acceptance of the payment. Col. 8, ll. 20-29.

E. Kolls

1. Kolls describes a system 10 (Fig. 1) that includes a copy machine 28 under the control of vending machine control system (controller) 12. Col. 4, ll. 27-31.

2. While Figure 1 depicts a copy machine, the system may also comprise other types of vending machines such as microfiche machines and computer operated devices for on-line searching, database searching, or printing. Col. 4, ll. 31-34.

3. An exemplary computer system (Fig. 13) for the system includes a modem 420 for contacting remote locations for credit verification, sending and receiving facsimile transmissions, and data communication with an on-line service. Col. 16, ll. 18-25.

F. Brown

Brown teaches headphones and loudspeakers. Col. 5, ll. 1-5; Fig. 2.

G. Small

Small teaches an electronic mouse and a trackball as data entry devices. Col. 6, ll. 60-65.

H. Brandes

Brandes teaches a vending machine having an escutcheon plate and a transparent plastic panel with back lighting to display a logo or trademark of a vendor. Abstract; col. 4, ll. 34-43; Figs. 1-3.

PRINCIPLES OF LAW

Presumption of Validity and Standard of Proof

Claims in a reissue application enjoy no presumption of validity. *In re Sneed*, 710 F.2d 1544, 1550 n.4 (Fed. Cir. 1983). In contrast to the higher “clear and convincing” standard of proof required of a party asserting patent invalidity in civil actions for patent infringement, the Examiner must meet the “preponderance of the evidence” in making rejections. *In re Caveney*, 761 F.2d 671, 674 (Fed.Cir. 1985).

Claim Interpretation

During examination of a reissue application, claims are to be given their broadest reasonable interpretation consistent with the specification. *In re Reuter*, 670 F.2d 1015, 1019 (CCPA 1981). The claim language should be read in light of the specification as it would be interpreted by one of ordinary skill in the art. *In re American Academy of Science Tech Center*, 367 F.3d 1359, 1369 (Fed. Cir. 2004) (citations omitted). The Office must apply the broadest reasonable meaning to the claim language, taking into account any definitions presented in the specification. *Id.* (citing *In re Bass*, 314 F.3d 575, 577 (Fed. Cir. 2002)).

Anticipation

“Anticipation is established only when a single prior art reference discloses, expressly or under principles of inherency, each and every element of a claimed invention.” *RCA Corp. v. Applied Digital Data Sys., Inc.*, 730 F.2d 1440, 1444 (Fed. Cir. 1984).

Level of Skill in the Art

The person of ordinary skill in the art is a hypothetical person who is presumed to know the relevant prior art. *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 962 (Fed. Cir. 1986). The actual inventor’s skill is not determinative. *Id.*

The references of record can indicate the level of skill in the art. *See In re GPAC, Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995) (USPTO board did not err in adopting the approach that the level of skill in the art was best determined by the references of record).

Obviousness

The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966).

In *KSR Int’l Co. v. Teleflex, Inc.*, 127 S. Ct. 1727, 1739 (2007), the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art,” and discussed

circumstances in which a patent might be determined to be obvious without an explicit application of the teaching, suggestion, motivation test.

In particular, the Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, 11 How. [(52 U.S.)] 248 [(1850)].” *KSR*, 127 S. Ct. at 1739 (citing *Graham v. John Deere Co.*, 383 U.S. at 12 (emphasis added)), and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* The Court explained:

When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.

Id. at 1740. The operative question in this “functional approach” is thus “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.*

ANALYSIS

I. Appellants’ Rule 131 Effort

U.S. Patent 5,953,504 (Sokal) is applied in rejections by the Examiner against all the claims rejected over prior art. Sokal issued 14 September 1999. The Sokal application (08/541,727) has a USPTO filing date of 10

October 1995. Because the '216 patent application was filed 18 September 1996, Sokal is prior art vis-à-vis Appellants under 35 U.S.C. § 102(e)(2), unless shown not to be prior, and also prior art under § 103(a).

“[A]pplicants are entitled to employ the procedure of 37 C.F.R. § 1.131” to antedate Sokal. (App. Br. 10.) In an effort to overcome the rejections over Sokal, Appellants presented a series of declarations. According to Appellants, the declarations collectively establish that Appellants antedate Sokal under 37 C.F.R. § 1.131.

37 C.F.R. § 1.131 (2008) provides in pertinent part:

(b) The showing of facts shall be such, in character and weight, as to establish reduction to practice prior to the effective date of the reference, or conception of the invention prior to the effective date of the reference coupled with due diligence from prior to said date to a subsequent reduction to practice or to the filing of the application. Original exhibits of drawings or records, or photocopies thereof, must accompany and form part of the affidavit or declaration or their absence must be satisfactorily explained.

To antedate Sokal, Appellants thus must show reduction to practice prior to 10 October 1995, or conception of the invention prior to 10 October 1995 coupled with due diligence prior to 10 October 1995 to a subsequent reduction to practice or to the filing of the '216 patent application (18 September 1996).

With respect to Appellants' alleged showing of facts we observe, at the outset, that we have been presented a brief which does not provide a road map through the more than 300 pages which make up the declarations and exhibits relied upon therein. The rules required, and presently require, that

an appellant set out the contentions with respect to each ground of rejection presented for review and the basis for those contentions. 37 C.F.R. § 41.37(c)(1)(vii) (2006). Further compounding the problem, Appellants do not cite to specific parts of the record relied upon in support of those contentions. *Cf. id.*

Appellants' Supplemental Appeal Brief, filed 12 January 2007, falls considerably short of complying with Bd.R. 41.37(c)(1)(vii).

For example, Appellants allege "there is ample evidence of conception" in the "declarations under Rule 131." (App. Br. 12.) A first question would be -- conception of what? We are not told precisely what invention is alleged to have been conceived prior to Sokal. At oral argument, on the one hand we were told that the conceived invention is the claimed invention. (Transcript of Oral Argument, pages 17-18.) On the other hand, counsel seemed to backtrack somewhat and told us that the declarations show conception of something less than the claimed invention. (Transcript of Oral Argument, pages 20-21.)

Rule 131, and applicable precedent interpreting and applying Rule 131, requires that some subject matter has to be conceived. It is up to Appellants to tell us exactly what that subject matter is.

A conception was defined long ago as being the formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention as it is thereafter to be applied in practice. *Mergenthaler v. Scudder*, 11 App. D.C. 264, 276, 1897 Dec. Comm'r. Pat. 724, 731 (1897). The definition has not changed over time. *See Shum v. Intel Corp.*, 499 F.3d 1272, 1277 (*Fed. Cir.* 2007); *Cooper v. Goldfarb*, 154 F.3d 1321, 1327 (Fed. 1998); *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d

1367, 1376 (Fed. Cir. 1986). The elements of conception are establishing (1) the “idea” and (2) the “as it is thereafter to be applied in practice.” Whether conception is being relied upon to show conception of the subject matter of a count in an interference (*Coleman v. Dines*, 754 F.2d 353, 359 (Fed. Cir. 1985)) or conception of subject matter relied upon under Rule 131 (*In re Hostettler*, 356 F.2d 562 (CCPA 1966)), one cannot show the “as it is thereafter to be applied in practice” unless one can show that the subject matter (*i.e.*, the “idea”) relied upon would have been enabling.

Establishing conception alone would not make out Appellants antedating case. In this case, there also needs to be a showing of reasonable diligence from some act prior to the Sokal filing date (10 October 1995) until a subsequent reduction to practice by Appellants. Appellants must “account for the entire critical period by showing either activity aimed at reduction to practice or legally adequate excuses for inactivity.” 3 D. Chisum, *Patents*, § 10.07 at 10-120 (1986). “The Patent Office must have such facts as will enable it and its reviewing courts to judge whether there was construction and when it occurred, or whether there was diligence.” *In re Harry*, 333 F.2d 920, 922 (CCPA 1964).

At oral argument, counsel said that Appellants do not rely on any actual reduction to practice. (Transcript of Oral Argument, page 15.) Rather, the reduction to practice relied upon is a constructive reduction to practice based on the filing date (18 September 1996) of application 08/715,232. (Transcript of Oral Argument, page 15.) Application 08/715,232 is the application which matured into the '216 patent sought to be reissued via the application on appeal.

The Brief fails to give us a road map of what occurred during the diligence period. Ordinarily, an applicant should establish reasonable diligence during the period (1) from some event or activity occurring prior to the filing date of the reference sought to be antedated until (2), in this case, a constructive reduction to practice.

As one example of failure in the Appeal Brief, Appellants maintain that a two-day gap in the evidence (14-16 November 1996) should not negate reasonable diligence. (App. Br. 15.) On the same page of the Brief, Appellants say that a 1995 Hurricane Opal caused a “prolonged absence of electricity and devastation.” While interruptions due to a hurricane may excuse an inventor from working toward a reduction to practice, we need to be told more than just a hurricane occurred and that electric power was cut off and devastation took place.

What the Brief amounts to is an invitation to the Board to scour the 300-plus page evidentiary record to see if the Board can come up with some fact scenario from which we might be able to conclude that Appellants have antedated the Sokal reference. We respectfully decline the invitation. *Cf.* (1) *Clintec Nutrition Co. v. Baxa Corp.*, 44 USPQ2d 1719, 1723 n.16 (N.D. Ill. 1997), which notes that where a party points the court to multi-page exhibits without citing a specific portion or page, the court will not pour over the documents to extract the relevant information, citing *United States v. Dunkel*, 927 F.2d 955, 956 (7th Cir. 1991) (judges do not hunt for truffles buried in briefs); (2) *Ernst Haas Studio, Inc. v. Palm Press, Inc.*, 164 F.3d 110, 111-12 (2d Cir. 1999) (“Appellant’s Brief is at best an invitation to the court to scour the record, research any legal theory that comes to mind, and serve generally as an advocate for appellant. We decline the invitation.”);

(3) *Winner International Royalty Corp. v. Wang*, 202 F.3d 1340, 1351 (Fed. Cir. 2000) (we will not search the record on the chance of discovering whether the district court abused its discretion); (4) *United States v. Lanzotti*, 205 F.3d 951, 957 (7th Cir. 2000) (it is not this court’s responsibility to research and construct the parties’ arguments); (5) *Biotec Biologische Naturverpackungen GmbH & Co. KG v. Biocorp, Inc.*, 249 F.3d 1341, 1354 (Fed. Cir. 2001) (on this appeal the defendants do not review in any detail the evidence that they assert invalidates the patents; instead, the defendants argue that Dr. Bastioli “expressly mentioned” the Otey reference in her affidavit and that this mention, although presented without analysis, raised a material issue concerning patent validity); (6) *Halliburton Energy Services, Inc. v. M-I LLC*, 514 F.3d 1244, 1250 n.2 (Fed. Cir. 2008) (a skeletal argument, really nothing more than an assertion, does not preserve a claim; Judges are not like pigs, hunting for truffles buried in briefs) (quoting *United States v. Dunkel*, 927 F.2d 955, 956 (7th Cir. 1991)).

While we decline Appellants’ invitation to scour the record, we nevertheless make the following observations. We emphasize, however, that apart from considering the arguments made in the briefs, we have not in the first instance evaluated the Rule 131 showing to see if Appellants have established conception and reasonable diligence by a preponderance of the evidence.

At oral argument, we were told that the Examiner found that Appellants had established reasonable diligence during a six-month period between March 19, 1996 and September 18, 1996. (Transcript of Oral Argument, pages 25-26.) We have been unable to find the evidence which supports the Examiner’s finding. Accordingly, in our view Appellants have

not established reasonable diligence during that six-month period. We recognize that Appellants had no reason to argue the six-month period on appeal given the Examiner's favorable finding. For that reason, among others, we will designate our affirmance of the rejections over Sokal, *infra*, as new grounds of rejection.

Should Appellants seek to antedate Sokal in response to the new grounds of rejection, we encourage Appellants to identify exactly what subject matter is alleged to have been conceived and why conception of that subject matter would suffice as a necessary conception under Rule 131. We would also encourage Appellants to give the USPTO a day-to-day summary, pointing to the declarations (and possibly additional declarations) of what took place from some act prior to the Sokal filing date through Appellants' constructive reduction to practice. We agree with Appellants that a day-to-day summary is not required. However, a day-to-day summary can be a useful tool in helping an appellant make out its case before the USPTO. Gaps in activity become apparent and having knowledge of those gaps can help the applicant provide the USPTO with reasons why those gaps do not negate reasonable diligence. While it is an interference case, Appellants' attention is directed to *Cone v. Kane*, 75 USPQ2d 1382 (BPAI 2004), *supplemental opinion*, 75 USPQ2d 1383 (BPAI 2004), explaining the benefits of a day-to-day accounting.

Appellants are reminded that the burden of proof rests with them, not the Examiner, insofar as they claim under Rule 131 that Sokal is not prior art. We agree with Appellants that they do not have to show work toward a constructive reduction to practice 24 hours a day, 7 days a week. Only reasonable diligence is required. However, time not accounted for during

the period for diligence can lead to adverse results in a Rule 131 effort. *See, e.g., In re Mulder*, 716 F.2d 1542, 1545 (Fed. Cir. 1983) (two-day period with no proof of diligence held fatal to Mulder’s Rule 131 effort -- “[L]iberality cannot be extended to the point of eliminating all proof of diligence, no matter how short the period to be covered.”); *In re Nelson*, 420 F.2d 1079, 1081 (CCPA 1970) (unexplained two-month delay fatal to Nelson’s Rule 131 effort). *See also Gould v. Schawlow*, 363 F.2d 908, 918 (CCPA 1966) ((1) “[m]erely stating that there were no weeks or months that he ‘did not work on the laser’ is not enough, absent supporting facts showing specifically what that ‘work’ consisted of and when it was performed,” and (2) “[t]he party chargeable with diligence must account for the entire period during which diligence is required.”); *Griffith v. Kanamaru*, 816 F.2d 624, 626 (Fed. Cir. 1987) (party must account for entire period).

As a final observation, we find an argument in the Brief to be somewhat curious. According to the Brief, in application 08/718,232 (the parent application), apparently an amendment was filed on 8 November 1995. (App. Br. 11.) The amendment is said to describe the now claimed invention -- even if the parent application, as filed, does not.

While Appellants concede they are not relying on the parent application, as filed, for a constructive reduction to practice, Appellants seem to argue that as of the 8 November 1995 date of the amendment, the “parent” application is a constructive reduction to practice of what is shown in the amendment. However, a constructive reduction to practice is obtained by filing a patent application. *See, e.g., Cooper v. Goldfarb*, 154 F.3d at 1327 (“A reduction to practice can be either a constructive reduction to practice, which occurs when a patent application is filed, or an actual

reduction to practice.”); *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d at 1376 (“Actual reduction to practice requires that the claimed invention work for its intended purpose, . . . and, as has long been the law, constructive reduction to practice occurs when a patent application on the claimed invention is filed.”) (citations omitted). *Cf. In re Katz*, 687 F.2d 450, 454 (CCPA 1982) (“Unlike the filing of a patent application, the publication of an article is not deemed a constructive reduction to practice of the subject matter described therein.”) (citing *In re Schlittler*, 234 F.2d 882, 884 (CCPA 1956)).

For a discussion of why filing a patent application should constitute a constructive reduction to practice, see *Automatic Weighing Machine Co. v. Pneumatic Scale Corp.*, 166 F. 288, 1909 Dec. Comm’r Pat. 498 (1st Cir. 1909). The philosophy behind according a reduction to practice to an inventor based on a constructive reduction to practice obtained through filing an application has been followed by our reviewing courts since 1909.

Appellants seem to cite *Kawai v. Metlesics*, 480 F.2d 880 [“178 USPQ 158 at 163”] (CCPA 1973) as support for their postulate that filing a “substitute specification” in a patent application qualifies as a constructive reduction to practice. (App. Br. 10-11.) *Kawai* does not hold, discuss, or even suggest any such thing.

The 8 November 1995 amendment constitutes “new matter” vis-à-vis the parent application, as filed. While the content of the amendment may serve as evidence of conception, we are unable to hold that it could constitute a constructive reduction to practice. No patent containing the subject matter of the 8 November 1995 amendment properly could have issued based on the parent application. A conception on 8 November 1995

is of no benefit to Appellants, given the 10 October 1995 filing date of Sokal. We express no views on whether the filing of the 8 November 1995 amendment can aid Appellants in showing reasonable diligence.

II. The Examiner's Rejections

Claim 130 under 35 U.S.C. § 102(e) as being anticipated by Sokal

Appellants argue that claim 130 is not anticipated by Sokal because, although Appellants admit that Sokal describes a stand alone terminal for internet access, the terminal is not a vending machine. Nor does the terminal dispense articles for purchase, according to Appellants. (App. Br. 24.) Appellants further admit, however, that a consumer can download information to his own CD. (*Id.*)

Sokal's Figure 2 shows a receptacle 38 for printed sheets and a laser printer 37. Printed sheets (i.e., articles) are vended because the user can utilize desk top publishing software in the terminal to generate printed pages (Sokal col. 6, ll. 41-43), and payment for the items is required (*id.*, ll. 49-51).

The Sokal terminal is also a "vending machine" to dispense an article to be purchased by a consumer because software can be purchased and downloaded to the consumer's memory device. Sokal col. 1, ll. 38-43; col. 6, ll. 44-48. The software itself -- the data recorded on the consumer's memory device -- is an "article," for all that claim 130 requires.

We are thus not persuaded of error in the Examiner's finding of anticipation. We sustain the § 102(e) rejection of claim 130 as being anticipated by Sokal. However, we designate the affirmance a new ground of rejection (37 C.F.R. § 41.50(b)), because we have disagreed in part with

the Examiner's requirements with respect to the time period for which Appellants must show due diligence to antedate Sokal.

Claim 130 under 35 U.S.C. § 102(e) as being anticipated by Kolls

Appellants contend that Kolls does not anticipate claim 130 because the system does not permit customer access to websites. (App. Br. 20.) In the Examiner's estimation, in view of the broad definition of "internet" provided in the '216 patent, the remote sites described by Kolls are "obviously if not inherently" websites. (Ans. 35.)

While the '216 patent does provide a broad definition for "internet,"⁵ the definition does not expressly include "websites." The on-line database searching and credit verification described by Kolls (FF IV.E.2 - 3) does not necessarily require that one may access a "website," upon consideration of the evidence provided by the Examiner in support of the rejection.

We therefore do not sustain the § 102(e) rejection of claim 130 over Kolls.

Claim 130 under 35 U.S.C. § 102(b) as anticipated by or, in the alternative, under 35 U.S.C. § 103(a) as obvious over Huegel

Appellants argue that the rejection over Huegel is in error because the remote sites described by the reference are not necessarily "websites." (App. Br. 21-22.)

We do not sustain the § 102(b) rejection of the claim over Huegel for similar reasons that we do not sustain the rejection over Kolls. The '216

⁵ We will discuss the '216 patent's definition in more depth in new grounds of rejection, *infra*.

patent's broad definition for "internet" does not expressly speak to "websites."

We do, however, sustain the rejection of the claim under § 103(a) over Huegel. Appellants admit that, at the time of invention, access to web content was widely known in the art. (*See* App. Br., ¶ bridging 20-21.) A person having ordinary skill in the art uses known elements for their intended purpose. *See Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57.

Permitting customer access to websites in combination with Huegel's self-service terminal appears to be a simple arrangement of old elements, with each performing the same function it had been known to perform, yielding no more than one would expect from such an arrangement. On this record, the combination of claim 130 would thus have been obvious to one skilled in the art. *See KSR*, 127 S. Ct. at 1740.

Claim 130 under 35 U.S.C. § 102(b) as anticipated by or, in the alternative, under 35 U.S.C. § 103(a) as obvious over Lockwood

Appellants argue that the rejection over Lockwood fails because the remote sites described by the reference are not necessarily "websites." (App. Br. 22-23.)

We do not sustain the § 102(b) rejection of the claim over Lockwood for similar reasons that we do not sustain the rejection over Kolls. The '216 patent's broad definition for "internet" does not expressly speak to "websites."

We do, however, sustain the rejection of the claim under § 103(a) over Lockwood. Appellants admit that, at the time of invention, access to web

content was widely known in the art. (*See* App. Br., ¶ bridging 20-21.) A person having ordinary skill in the art uses known elements for their intended purpose. *See Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57.

Permitting customer access to websites in combination with Lockwood's self-service terminal appears to be a simple arrangement of old elements, with each performing the same function it had been known to perform, yielding no more than one would expect from such an arrangement. On this record, the combination of claim 130 would thus have been obvious to one skilled in the art. *See KSR*, 127 S. Ct. at 1740.

Claims 31-41, 60-64, 66, 68, 69, 71-108, 110-112, 127, and 129-134 under 35 U.S.C. § 103(a) as being unpatentable over Bradt and Sokal

Based on Appellants' arguments in the Appeal Brief, we will decide the appeal with respect to these claims on the basis of claims 31 and 127 (independent), and claims 38 and 39 (dependent). *See* 37 C.F.R. § 41.37(c)(1)(vii).

Claim 31 recites a "door for retrofitting an existing vending machine," with "an access portal to the Internet on said door for interaction of the customer with the Internet." Although claim 31 contains the word "Internet," the Examiner finds (e.g., Ans. 9) that the '216 patent's broad definition of "internet" applies. Appellants do not argue that "Internet" has a meaning distinguished from "internet."

Appellants submit that claim 31 is patentable because Sokal does not contain a door, and "certainly not a retrofit door." (App. Br. 17.)

As we have determined in association with the new ground of rejection applied against the patent claims, *infra*, the '216 patent does not describe any particular structure unique to a “retrofit” door. As we also find, *infra*, Bradt describes a door 16 having a selector device [20, 22] or access portal that connects the computer to an internet site [the credit card company; Bradt col. 19, ll. 49-55]. We therefore disagree that Bradt teaches a “conventional” vending machine with no customer access to the Internet.

We are therefore not persuaded of error in the rejection of claim 31. We sustain the § 103(a) rejection over Bradt and Sokal.

Independent claim 127 recites providing a vending machine with a connection to the internet/worldwide web, and permitting a customer access to websites on the internet/worldwide web through interaction with the vending machine, “wherein at least part of said access is located on a door of the vending machine.”

Appellants contend that Sokal does not contain a door. (App. Br. 17-18.) Appellants submit that the proposed combination of Bradt and Sokal would “put access somewhere on the vending machine cabinet, but nowhere is there motivation to place the access at least partly on the door.” (App. Br. 17-18.) According to Appellants, Sokal’s apparatus comprises a secure housing 20, which contains all elements of the terminal so as to prevent unauthorized access, referring to Sokal column 3, lines 51 through 53. (App. Br. 17.)

While terminal 20 (Fig. 2) of Sokal does comprise a secure housing to prevent unauthorized access, access is undoubtedly required, such as for maintenance of the internal electronic elements and replenishment of paper supplies. Why not provide a door on the front, such that the terminal, which

includes touch screen monitor 21, may be serviced by authorized persons without requiring that the terminal be placed in an area where side and rear access must be unobstructed?

The “door” of claim 127 does not preclude a locking “door.” Bradt teaches a door 16 that provides access to the interior of the machine, yet also provides security from unauthorized access. We would venture to say that most, if not all, vending machines provide a housing that is secure from unauthorized access. We are not persuaded that the “secure housing” of Sokal is somehow inconsistent with a “door.”

Moreover, Bradt teaches a vending machine having a door with input devices for a computer that may be actuated by customers. Sokal teaches admitted functionality that, when combined with the Bradt apparatus, results in the invention of claim 127. The combination appears to represent a simple arrangement of old elements, with each performing the same function it had been known to perform, yielding no more than one would expect from such an arrangement, and thus obvious to one skilled in the art. *See KSR*, 127 S. Ct. at 1740.

We therefore sustain the § 103(a) rejection of claim 127 over Bradt and Sokal.

With respect to dependent claim 38, Appellants admit that Sokal describes a camera (34; and microphone 35) for video conferencing, but argue that Sokal does not teach recording on a mechanism. (App. Br. 18.) As the Examiner notes (Ans. 14), however, Sokal teaches downloading of information to memory elements (e.g., col. 5, ll. 21-23). We agree with the Examiner (Ans. 14-15) that the artisan would have found it obvious to

record video conferencing data, at least for the purpose of archiving a conference.

We are therefore not persuaded of error in the rejection of claim 38, and sustain the rejection.

Claim 39 recites “at least one audio-video mechanism connected to said computer for recording said audio and video signals.” Appellants argue that the features are “simply lacking and without motivation in the combination of Bradt and Sokal.” (App. Br. 18.)

The Examiner finds, however, that the teachings of Sokal would have suggested, to one skilled in the art, that tele-video conferencing data be stored locally in the Sokal apparatus. (Ans. 14-15.)

Appellants’ arguments do not persuade us of error in the rejection of claim 39. We sustain the rejection.

Having considered all of Appellants’ arguments in response to the rejection, we sustain the rejection of claims 31-41, 60-64, 66, 68, 69, 71-108, 110-112, 127, and 129-134 under 35 U.S.C. § 103(a) as being unpatentable over Bradt and Sokal. As previously noted, however, we designate the affirmance of any rejection that includes Sokal as a new ground of rejection (37 C.F.R. § 41.50(b)).

Claims 65 and 70 under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Brown

Appellants submit that the rejection of claims 65 and 70 “does not cure the deficiencies” of the rejection applied against the base claims over Bradt and Sokal. (App. Br. 19.) Appellants submit, further, that Brown

does not connect to websites or the Internet, but is limited to telephone communication lines for internal communication. (*Id.*)

First, we are not persuaded of any deficiencies in the rejection over Bradt and Sokal. Second, “[n]onobviousness cannot be established by attacking references individually where the rejection is based upon the teachings of a combination of references.” *In re Merck & Co.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986) (citing *In re Keller*, 642 F.2d 413, 425 (CCPA 1981)).

We are not persuaded of error in the rejection. We sustain the rejection of claims 65 and 70 under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Brown.

Claims 67 and 113 under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Small

Appellants argue that Small does not remedy deficiencies in Bradt and Sokal, and Small’s machine does not comprise a door having a trackball or a mouse. (App. Br. 19.)

We are not persuaded of any deficiencies in Bradt and Sokal. The Examiner’s rejection does not rely on Small for teaching a door. Small teaches a mouse and a trackball (col. 6, ll. 52-61) as computer input devices.

We are therefore not persuaded of error in the Examiner’s rejection. We sustain the rejection of claims 67 and 113 under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Small.

*Claim 109 under 35 U.S.C. § 103(a) as being unpatentable over
Bradt, Sokal, and Brandes*

Appellants rely on the arguments with respect to independent claim 31 to show error in the rejection of claim 109. (App. Br. 20.) Being not persuaded of error, we sustain the rejection of claim 109 under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Brandes.

Claims 114-127, 129, and 130 under 35 U.S.C. § 251

In view of the affirmed rejections and the new grounds of rejection, *infra*, all of the claims which are rejected under § 251 are also unpatentable over the prior art. We do not reach the Examiner's rejection for improper recapture. The appeal as to 35 U.S.C. § 251 for improper recapture is *dismissed* without prejudice to further consideration in the future should it become necessary.

NEW GROUNDS OF REJECTION

Instant claim 12 recites:

12. A door for retrofitting an existing vending machine for sale of items selected by a customer, said door comprising:

a storage unit for storing a plurality of different items for sale and a dispensing mechanism for dispensing the items from [sic] storage unit;

a selector device for selecting one or more of said items for sale by the customer;

a payment-control device for receiving and detecting an amount of payment required for sale of an item and for

actuating said dispensing mechanism when a payment is received to dispense a selected item; and

a computer assembly connected to said storage and dispensing unit [sic], selector device and payment control device, and having a computer, video display screen and a modem, whereby said computer is connected to and actuated by said selector device for automatically connecting said computer to a pre-selected internet site and automatically displaying information obtained from said internet address [sic] on said video screen for viewing by the customer.

Claim Interpretation

A. The “retrofit door”

Claim 12 purports a “door.” However, the body of the claim sets forth a structurally complete invention. No structure specific to a “door” appears in the body of the claim. There are no recitations in the body that refer to anything in the preamble as antecedent. While a “retrofit door assembly” might be considered an important part of one embodiment of the invention, a “door” is not mentioned in the numerous “objects” of the invention set out in columns 2 and 3 of the '216 patent.

Further, the elements set forth in the body of claim 12 do not appear to comprise a “door.” The claim recites both a “storage unit for storing a plurality of different items for sale” and a “dispensing mechanism” for dispensing the items. However, we are unable to find description of such a “storage unit” in the written description and drawings (e.g., in machine or front door 100; Fig. 1). When questioned on the point at the oral hearing, counsel was, likewise, unable to point to any description detailing a door having a storage unit as claimed. (Transcript of Oral Argument, pages 12-13.) Claim 12 further recites a computer assembly having a “computer,

video display screen and a modem.” We do not find an adequate description of at least a modem that forms part of a “door.”

“The preamble of a claim does not limit the scope of the claim when it merely states a purpose or intended use of the invention.” *In re Paulsen*, 30 F.3d 1475, 1479 (Fed. Cir. 1994). “[W]here a patentee defines a structurally complete invention in the claim body and uses the preamble only to state a purpose or intended use for the invention, the preamble is not a claim limitation.” *Rowe v. Dror*, 112 F.3d 473, 478 (Fed. Cir. 1997) (citations omitted).

In our view, the preamble of claim 12 recites merely a purpose or intended use for the invention set forth in the body of the claim, and thus does not limit the scope of the claimed subject matter.

In this opinion, however, we will also consider the case where the preamble may be deemed to represent a limitation. However, we observe that the '216 patent does not describe any specific structure for a “retrofit door assembly,” which indicates that any door assembly may be “retrofit” with the proper tools. Even if the “door for retrofitting an existing vending machine” were to be read as a limitation, the “retrofitting” represents an implied process step that does not require any structure different from a pre-existing vending machine door. See *In re Schreiber*, 128 F.3d 1473, 1477 (Fed. Cir. 1997) (“It is well settled that the recitation of a new intended use for an old product does not make a claim to that old product patentable.”); *In re Hack*, 245 F.2d 246, 248 (CCPA 1957) (“[T]he grant of a patent on a composition or machine cannot be predicated on a new use of that machine or composition.”). See also *In re Dike*, 394 F.2d 584, 589 (CCPA 1968) (no error in USPTO board holding that term “blow-molded” in claims drawn to

integral plastic container and handle failed to distinguish over prior art, because term related to process of making the article, and was not definitive as to the structure of the article).

B. The “internet”

With respect to the claim 12 recitation of “internet,” the patent teaches: “As used herein, the term internet refers to the numerous computer databases and on-line services available for public access for retrieving and/or sending information.” '216 patent col. 4, ll. 38-40. The patent thus indicates that “internet” is to be interpreted as referring to computer databases and on-line services for retrieving and/or sending information, which are available for public access.

New rejections

I. Claims 1, 2, and 12 -- § 102(b) over Bradt

We reject claims 1, 2, and 12 under 35 U.S.C. § 102(b) as being anticipated by Bradt.

As set forth in the Finding of Facts section *supra*, Bradt describes a videocassette vending machine 10 (Fig. 1). A videocassette storage means 40 (Fig. 2) comprises a plurality of shelves 42, which extend horizontally. When a videocassette is to be delivered to a customer, picker mechanism 148 (Fig. 5) places the cassette in videocassette receiving cavity 218 (Fig. 9). The customer retrieves the videocassette via access door 28 (Fig. 9). Bradt col. 17, l. 28 - col. 18, l. 2.

Bradt thus describes “a storage unit [40] for storing a plurality of different items [different videocassettes] for sale,” and a “dispensing mechanism [148] for dispensing the items from [the] storage unit [40].”

To the extent that claim 12 might require that the storage unit and the dispensing mechanism be in a “door,” videocassette receiving cavity 218 in Bradt (Fig. 9) receives, and temporarily stores one at a time, a plurality of different videocassettes for sale. The “dispensing mechanism” reads on the combination of the locking solenoid and access door 28 (Bradt col. 17, ll. 53-59; *see also* Fig. 4, return door 28). As shown in Figure 9, both the cavity 218 and access door 28 are within door 16.

Bradt further describes a selector device [one or both of push buttons 20, key pad 22] (Fig. 1) and a payment control device [credit card reader] 18. The “computer assembly” is shown in Figure 4, at least a portion of which resides in door 16 (Fig. 1, CRT 24). The computer is connected to and actuated by the selector device [20, 22] for automatically connecting the computer to a pre-selected internet site [the credit card company; Bradt col. 19, ll. 49-55].

Claim 12 further indicates that the computer automatically displays information obtained from the internet site on the video screen for viewing by the customer. The information obtained in Bradt from the credit card company for viewing by the customer on the video screen is the approval or disapproval of the charges -- the display necessarily changes after seeking authorization. *See* Bradt col. 19, l. 41 *et seq.*

Instant claim 1 is similar to claim 12, but requires that the computer assembly further includes “customer actuating means for enabling a customer to interface with said computer.” We find that Bradt keypad 22

(Fig. 1) is a structural equivalent to the '216 patent keypad 118 (Fig. 1). The “communication network” of claim 1 reads on the Bradt modem 36 (Fig. 4).

A telephone line connection (dependent claim 2) is required for modem 36 in Bradt to enable communication with the credit card company.

II. Claims 1, 2, and 12 -- § 102(e) over Sokal

We reject claims 1, 2, and 12 under 35 U.S.C. § 102(e) as being anticipated by Sokal.

With respect to instant claim 12, Sokal describes a storage unit for storing a plurality of different items for sale and a dispensing mechanism for dispensing the items from the storage unit, which are internal to the public access terminal shown in Figure 2. Figure 2 shows a receptacle 38 for printed sheets and a laser printer 37, which necessarily requires a storage unit for paper sheets and a dispensing mechanism for dispensing the sheets from the storage unit. The items are “for sale” because the user can utilize desk top publishing software in the terminal to generate printed pages (Sokal col. 6, ll. 41-43), and payment for the items is required (*id.*, ll. 49-51).

Sokal further describes a selector device (touch screen 21; Fig. 2) capable of the claimed function, “for selecting one or more of said items for sale by the customer.” Sokal describes a “payment-control device” 29 (Fig. 2) as claimed.

Sokal also describes a computer assembly (Fig. 3) in accordance with the requirements of claim 12. The computer is connected to and actuated by the selector device (touch screen 21) for automatically connecting the computer to a pre-selected internet site and automatically displaying information obtained from the site on the video screen for viewing by the

customer. As shown in Figure 4, for example, selection of particular items on the touch screen by the user automatically connects the computer to a particular site and its associated information for display. Sokal col. 4, l. 52 - col. 5, l. 20.

Instant claim 1 is similar to claim 12, but requires that the computer assembly further includes “customer actuating means for enabling a customer to interface with said computer.” We find that the Sokal keypad 22 (Fig. 2) is a structural equivalent to the '216 patent keypad 118 (Fig. 1).

Sokal also describes a modem 41 (Fig. 3) and telephone line connection 42, in accordance with dependent claim 2.

III. Claims 1-6 and 8-12 -- § 103(a) over the admitted prior art, Bradt, and Sokal

We reject claims 1-6 and 8-12 under 35 U.S.C. § 103(a) as being unpatentable over the admitted prior art described in column 1 of the '216 patent, Bradt, and Sokal.

A person having ordinary skill in the art uses known elements for their intended purpose. *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57 (1969) (radiant-heat burner used for its intended purpose in combination with a spreader and a tamper and screed). “[W]hen a patent ‘simply arranges old elements with each performing the same function it had been known to perform’ and yields no more than one would expect from such an arrangement, the combination is obvious.” *KSR*, 127 S. Ct. at 1740 (quoting *Sakraid v. Ag Pro, Inc.*, 425 U.S. 273, 282 (1976)).

Appellants admit that home computers, internet access, and vending machines with interactive customer communication were well known at the

time of invention. To the extent the claims 1, 2, and 12 might be interpreted as setting forth subject matter that is not anticipated by Bradt or Sokal, the claimed subject matter as a whole represents an improvement that is no more than the predictable use of prior art elements according to their established function, and thus an obvious combination.

Further requirements of dependent claims also appear to represent improvements that are no more than the predictable use of prior art elements according to their established function, and thus an obvious combination.

Dependent claim 3 recites that the computer comprises software for selectively connecting the computer to a plurality of different internet sites. As we have indicated, Sokal (e.g., Fig. 4) teaches that the computer comprises software for selectively connecting the computer to a plurality of different internet sites.

Dependent claim 3 goes on to recite that the computer, or perhaps the vending machine, is connected to the selector device for automatically connecting the computer to a specific internet site in response to a selected item. The recitation appears to require no more than a connection between the computer (or vending machine) and the selector device, as a connection is simply a connection. Even assuming the recitation is entitled to patentable weight beyond what it seems to require, Sokal teaches that the vending of software, for storage on a memory element, was conventional in the art (col. 1, ll. 38-43), which to the artisan would have meant vending of a physical copy of software for download to a floppy disk or CD-ROM (col. 3, l. 64 - col. 4, l. 5; col. 6, ll. 44-48). The teachings further would have meant, to the

artisan, that the computer is connected to a specific internet site in response to a selected software item.⁶

With respect to dependent claim 4, the admitted prior art ('216 patent col. 1, ll. 27-29) teaches that it was conventional for vending machines to display advertising material from an electronic data storage unit at the time of purchase of the item.

Dependent claim 5 adds that information is displayed from the data storage means “at idle times” of the vending machine. “[A]t the time of purchase” of an item ('216 patent col. 1, ll. 27-29) includes “at idle times” of the vending machine, as it would not be reasonable to assume that the advertising information would disappear immediately upon purchase of the item.

Dependent claim 6 adds a speaker for broadcasting audio signals transmitted from data storage means, and transmitting signals from the data storage means to the video screen and speaker to display advertising information. The admitted prior art ('216 patent col. 1, ll. 49-55) teaches that the further requirements of claim 6 were conventional in the art.

Dependent claim 8 recites speakers associated with the intended use of “receiving audio transmissions from said internet site.” We interpret the function of receiving audio transmissions from the internet site as mere intended use, not entitled to patentable weight because, *inter alia*, conventional audio speakers were not capable of receiving audio transmissions from an internet site, whatever form such an “audio

⁶ “[A] selected item” in dependent claim 3 is not limited to one of the “items” set forth in base claim 1.

transmission” might take. The admitted prior art ('216 patent col. 1, ll. 49-55) teaches that speakers on vending machines were conventional in the art.

Dependent claim 9 adds, in addition to an “audio display device,” a microphone and audio recording device for recording audio by the customer. Dependent claim 10 adds, to claim 9, a camera and video recording device for recording an image of the customer. Sokal teaches that cameras, microphones, and loudspeakers were conventional for voice recognition, voice synthesizing, and for generating images of the user for transmission of the image to other terminals. Sokal col. 4, ll. 22-27, Fig. 2; cols. 8 and 9, claims 9 and 10.

With respect to dependent claim 11, Sokal teaches tele-video conferencing (col. 6, ll. 35-40) with public access terminal 20, which meets the terms of the claim except, arguably, the “recording unit” for recording and storing the audio-visual signals. Sokal also teaches, however, storing information obtained from the internet on a memory element 24 (col. 5, ll. 21-23), such as a computer disk. One skilled in the art would have considered it obvious to store signals on a recording unit consistent with claim 11, at least for the archiving of tele-video conferences.

IV. Claim 7 -- § 103(a) over the admitted prior art, Bradt, Sokal, and Small

We reject claim 7 under 35 U.S.C. § 103(a) as being unpatentable over the admitted prior art described in column 1 of the '216 patent, Bradt, Sokal, and Small.

Claim 7 depends from claim 1 and adds that the computer further includes a user operated keypad and trackball associated with an intended

use. Sokal teaches a keypad 22 and touch screen monitor 21 (Fig. 2) for accessing internet sites. Small teaches (col. 6, ll. 60-65) that other data entry devices such as trackballs were conventional in the art. It would have been obvious to the artisan to use known input devices to enable human interface with a computer.

V. Claims 114-122 and 124-126 -- § 103(a) over Sokal, Bradt, and Mills

We reject claims 114-122 and 124-126 under 35 U.S.C. § 103(a) as being unpatentable over Sokal, Bradt, and Mills.

Sokal teaches or suggests providing a vending machine to vend at least two different physical items selected by a customer for purchase. As we noted in relation to instant claim 12, Sokal teaches vending desktop publishing products. Sokal also teaches that the vending of software, for storage on a memory element, was conventional in the art (col. 1, ll. 38-43), which to the artisan would have meant vending of a physical copy of software for download to a floppy disk or CD-ROM (col. 3, l. 64 - col. 4, l. 5; col. 6, ll. 44-48).

Further, Bradt teaches the vending of other items suitable for purchase from a public access terminal (videocassettes, blank videotapes, music disks, and the like). Bradt Abstract.

Sokal teaches, consistent with step 3 of claim 114, allowing access to websites by a customer, comprising both of inserting money or credit card information into the vending machine and customer input of data to the computer, although the claim by its terms requires only one in the alternative.

The difference between claim 114 and the prior art teachings we have noted is that the (step 2) purchase of the at least one item permits the customer to be operatively connectable via the Internet to websites. However, delivering a premium to the purchaser of vended goods was well known to the artisan -- see page 5, lines 77 through 98 of Mills.

Claim 114 is thus directed to subject matter obvious to the artisan at the time of invention, representing no more than the predictable use of prior art elements according to their established functions.

Dependent claims 115 through 118, 120, 124, and 125 contain subject matter disclosed or suggested by Sokal that we have already discussed.

The subject matter of dependent claims 119, 121, and 126 are taught by Sokal -- camera 34 (Fig. 2), microphone 35, speaker 36 and video conferencing at column 6, lines 35 through 40.

With respect to claim 122, Sokal teaches providing a vending machine in the form of an existing vending machine -- one that may be physically accessed by human beings.

VI. Claim 123 -- § 103(a) over Sokal, Bradt, Mills, and PC Computing⁷

We reject claim 123 under 35 U.S.C. § 103(a) as being unpatentable over Sokal, Bradt, Mills, and PC Computing.

Claim 123 recites that a customer “may” transmit data on the internet from the customer’s own magnetic or optical storage medium insertable into

⁷ *PC Computing Online Superguide* 118-37 (Feb. 1996) (copy provided by Appellants in Evidence Appendix Exhibit B8; Appellants also denominate the paper as “Exhibit L”).

drives in the vending machine. Sokal does not teach anything to prevent such transmission, and thus teaches all of the further requirements of claim 123.

In the alternative, if we assume that claim 123 sets forth a positive limitation, we find that Sokal teaches downloading information to memory elements 24 (col. 5, ll. 21-23; Fig. 2), but does not describe transmitting data on the internet from memory elements 24. Sokal does, however, describe sending electronic mail (e.g., col. 6, ll. 22-25; Fig. 4).

PC Computing teaches (e.g., at 120) that e-mail file attachments were conventional at the time of invention. The artisan would thus have found it obvious, at the least, to provide a file for attachment to electronic mail from memory elements 24.

CONCLUSIONS OF LAW

- (1) Sokal is prior art under 35 U.S.C. § 102(e)(2) and § 103(a).
- (2) Appellants have failed to establish that the Examiner erred in rejecting claim 130 under 35 U.S.C. § 102(e) as being anticipated by Sokal.
- (3) Appellants have established that the Examiner erred in rejecting claim 130 under 35 U.S.C. § 102(e) as being anticipated by Kolls.
- (4) Appellants have established that the Examiner erred in rejecting claim 130 under 35 U.S.C. § 102(b) as anticipated by Huegel.
- (5) Appellants have not established that the Examiner erred in rejecting claim 130 under 35 U.S.C. § 103(a) as obvious over Huegel.
- (6) Appellants have established that the Examiner erred in rejecting claim 130 under 35 U.S.C. § 102(b) as anticipated by Lockwood.

(7) Appellants have not established that the Examiner erred in rejecting claim 130 under 35 U.S.C. § 103(a) as obvious over Lockwood.

(8) Appellants have not established that the Examiner erred in rejecting claims 31-41, 60-64, 66, 68, 69, 71-108, 110-112, 127, and 129-134 under 35 U.S.C. § 103(a) as being unpatentable over Bradt and Sokal.

(9) Appellants have not established that the Examiner erred in rejecting claims 65 and 70 under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Brown.

(10) Appellants have not established that the Examiner erred in rejecting claims 67 and 113 under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Small.

(11) Appellants have not established that the Examiner erred in rejecting claim 109 under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Brandes.

(12) Claims 1-12, 31-41, 60-127, and 129-134 are not patentable over the prior art.

DECISION

The Examiner's rejection of claim 130 under 35 U.S.C. § 102(e) as being anticipated by Sokal is affirmed.

The Examiner's rejection of claim 130 under 35 U.S.C. § 102(e) as being anticipated by Kolls is reversed.

The Examiner's rejection of claim 130 under 35 U.S.C. § 102(b) as anticipated by or, in the alternative, under 35 U.S.C. § 103(a) as obvious over Huegel is reversed with respect to § 102(b) but affirmed with respect to § 103(a).

The Examiner's rejection of claim 130 under 35 U.S.C. § 102(b) as anticipated by or, in the alternative, under 35 U.S.C. § 103(a) as obvious over Lockwood is reversed with respect to § 102(b) but affirmed with respect to § 103(a).

The Examiner's rejection of claims 31-41, 60-64, 66, 68, 69, 71-108, 110-112, 127, and 129-134 under 35 U.S.C. § 103(a) as being unpatentable over Bradt and Sokal is affirmed.

The Examiner's rejection of claims 65 and 70 under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Brown is affirmed.

The Examiner's rejection of claims 67 and 113 under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Small is affirmed.

The Examiner's rejection of claim 109 under 35 U.S.C. § 103(a) as being unpatentable over Bradt, Sokal, and Brandes is affirmed.

We do not reach the Examiner's rejection of claims 114-127, 129, and 130 under 35 U.S.C. § 251 for improper recapture of surrendered subject matter, because all the claims are unpatentable over the prior art. The appeal as to 35 U.S.C. § 251 for improper recapture stands *dismissed*.

Because we have sustained at least one ground of the Examiner's rejections against all the claims on appeal except for claims 114-126, the Examiner's decision to reject claims 31-41, 60-127, and 129-134 is affirmed-in-part.

We reject claims 1, 2, and 12 under 35 U.S.C. § 102(b) as being anticipated by Bradt.

We reject claims 1, 2, and 12 under 35 U.S.C. § 102(e) as being anticipated by Sokal.

We reject claims 1-6 and 8-12 under 35 U.S.C. § 103(a) as being unpatentable over the admitted prior art, Bradt, and Sokal.

We reject claim 7 under 35 U.S.C. § 103(a) as being unpatentable over the admitted prior art, Bradt, Sokal, and Small.

We reject claims 114-122 and 124-126 under 35 U.S.C. § 103(a) as being unpatentable over Sokal, Bradt, and Mills.

We reject claim 123 under 35 U.S.C. § 103(a) as being unpatentable over Sokal, Bradt, Mills, and PC Computing.

Since we have entered a new ground of rejection, our decision is not a final agency action.

CONCLUSION

In addition to the new grounds of rejection we have entered, we designate the affirmance of each of the Examiner's rejections that include Sokal a new ground of rejection (37 C.F.R. § 41.50(b)).

With respect to the affirmed rejection(s), 37 C.F.R. § 41.52(a)(1) provides that "Appellant may file a single request for rehearing within two months from the date of the original decision of the Board."

In addition to affirming the Examiner's rejection(s) of one or more claims, this decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides that "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review."

37 C.F.R. § 41.50(b) also provides that the Appellant, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

(1) *Reopen prosecution*. Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner. . . .

(2) *Request rehearing*. Request that the proceeding be reheard under § 41.52 by the Board upon the same record. . . .

Should Appellants elect to prosecute further before the Examiner pursuant to 37 C.F.R. § 41.50(b)(1), in order to preserve the right to seek review under 35 U.S.C. §§ 141 or 145 with respect to the affirmed rejection, the effective date of the affirmance is deferred until conclusion of the prosecution before the Examiner unless, as a mere incident to the limited prosecution, the affirmed rejection is overcome.

If Appellants elect prosecution before the Examiner and this does not result in allowance of the application, abandonment or a second appeal, this case should be returned to the Board of Patent Appeals and Interferences for final action on the affirmed rejection, including any timely request for rehearing thereof.

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No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a).

AFFIRMED-IN-PART and DISMISSED-IN-PART
New Ground of Rejection

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